

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

D. Remarks

1. Rejection of Claims 1-9 Under 35 U.S.C. §103(a), based on Clark (U.S. Patent No. 6,351,738) in view of Conklin et al. (U.S. Patent No. 6,338,050) further in view of McGee (U.S. Patent No. 6,393,468).

The invention of claim 1 is directed to a franchise system for organizing and establishing a headquarter for business transactions over a network. The franchise system includes various components including at least one headquarter network server, a plurality of franchise store servers, and a plurality of member servers.

- 10 The headquarter network server has a number of elements including merchandise information memory data, a home page creation system, a home page sending service, and order receiving system, a received data transfer system, and a franchise store ID system.

- As is well established, to establish a prima facie case of obviousness, a rejection must meet three basic criteria. First, there must be some suggestion or motivation to modify a reference or combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference(s) must teach or suggest all claim limitations.

Applicant traverses the present rejection based on a number of grounds.

A) **The Combination of References Does Not Show All Claim Limitations**

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- The cited combination of references does not show or suggest all the limitations of claim 1. In particular, the references do not show or suggest (1) an order receiving system that processes orders... through the home pages of each franchise store or (2) a franchise store ID system that matches a franchise store to a person ordering... based on uniform resource locator (url) values.

To show Applicant's order receiving system, the rejection relies on the reference *Clark*:

[Clark teaches]... an order receiving system that processes orders from the plurality of member terminals through the home pages of each franchise

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

store...<sup>1</sup>

The rejection provides no citation in support of this statement. Accordingly, it is not believed a prima facie case of obviousness has been established, as no evidence has been presented showing or suggesting this claim limitation.

[W]hen an examiner maintains that there is an explicit or implicit teaching or suggestion in the prior art, the examiner should indicate where (page and line or figure) such a teaching or suggestion appears in the prior art.<sup>2</sup>

For this reason alone, this ground for rejection is traversed.

However, Applicant believes that such a limitation is not present in *Clark*, as the reference clearly teaches away from the limitations of claim 1.

As emphasized above, Applicant's claim 1 recites that orders are processed through the "home pages of each franchise store". Thus, the invention of claim 1 recites orders received through multiple home pages, each corresponding to a franchise store. In very sharp contrast, *Clark* teaches a single website.

E-commerce system 422 preferably should provide *an Internet website* for the HBE 412 that may be accessed by suppliers 424, participants 414, 414' optionally, customers 418... In a typical goods or services transaction... a participant 414 or 414' may access *the aforementioned website* or dedicated network and makes a purchase request using a purchase order form available on the e-commerce system.<sup>3</sup>

The above is believed to provide clear evidence that *Clark* teaches a system that processes orders received at a single website from multiple participants (e.g., suppliers, customers...) and not orders through multiple home pages, as recited in claim 1. Accordingly, the reference cannot suggest Applicant's claim 1 limitations.

<sup>1</sup> See the Final Office Action, dated 12/10/03, Page 3, Lines 4-6.

<sup>2</sup> *In re Jones*, 62 USPQ2d 1206, 1208 (B.P.A.I. 2001) (unpublished) (citing *In re Riickaert*, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993)).

<sup>3</sup> *Clark*, Col. 11, Lines 19-44, emphasis added.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In addition or alternatively, the combination of references does not show or suggest a franchise store ID system as recited in claim 1.

The rejection admits that *Clark* in view of *Conklin et al.* does not show the franchise store ID system of claim 1. To show such a limitation, the rejection proposes modifying *Clark* in view  
5 of *Conklin* according to *McGee*.

McGee does disclose the franchise ID store ID system matching franchise stores to the person accessing the franchise system based on uniform resource locator value set up in advance.... (see at least Abstract and Col. 12, lines 32-35).<sup>4</sup>

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*McGee* provides no matching of a person to a franchise store based on url values. As recited in the Abstract of *McGee*, the reference teaches replacing urls with tokens in order to hide urls from clients.

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The 'real URL' is the URL of the Web page referenced by the respective option. The 'token' is a random number which is generated to *replace* the URL.<sup>5</sup>

[T]he session manager 320 then... *replaces* the or each URL embedded in the file with a random, ten-digit token...<sup>6</sup>

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Thus, the invention of *McGee* is directed intercepting urls issued by a user, and substituting them with tokens. Accordingly, because *McGee* is directed to hiding urls from people, the reference does not show or suggest using urls to match people with particular stores.

For this additional reason this ground for rejection is traversed.

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**B) Motivation For the Proposed Combination of References is Lacking/Reference Teaches Away**

Even if the cited combination of reference could show all limitations of claim 1, the

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<sup>4</sup> See the Final Office Action, dated 12/10/03, Page 6, Last two lines to Page 7, Line 2.

<sup>5</sup> *McGee*, Col. 9, Lines 33-35, emphasis added.

<sup>6</sup> *McGee*, Col. 10, Lines 34-37, emphasis added.

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

requisite motivation for a prima facie case of obviousness is believed to be lacking. Further, the teachings of the references themselves are believed to rebut any prima facie case.

As noted above, Applicant's claim 1 invention is directed to a franchise system, and includes franchise store servers in combination with one or more headquarter servers. As noted in the rejection, *Clark* describes a franchise system, but such a system does not include any servers, as argued by the rejection. The figure of *Clark* relied upon by the rejection is a "geographical depiction" and hence does not show or suggest any details regarding particular components.<sup>7</sup> In sharp contrast, the invention of *Clark* is a "hub-business-entity" (HBE) that is not a franchise system, and directly teaches away from franchise systems.

*Clark* indicates that franchise systems are not desirable.

[T]he franchisor 312 imposes extensive limitations on how the franchisees 314 may conduct their business... This pervasive and highly restrictive level of control... inhibits the franchisees ability and desire to introduce innovations... may hinder growth and prosperity of the franchise. Additionally, the costs... may be prohibitive for many businesspersons.<sup>8</sup>

Because *Clark* explicitly teaches away from franchise systems, the reference is clear to distinguish its HBE from a franchise system:

Significantly, and *unlike the traditional franchise system 310 depicted in FIG. 3*, participants 414, 414' are free to obtain any of an assortment of business support mechanisms.... Further, the HBES 410 permits the participants 414, 414' to obtain other business support mechanisms from suppliers 420 which are not affiliated with the HBES 410, if the participants so desire.<sup>9</sup>

Because references relied upon to support claim rejections must be considered as a whole, these teachings must be taken into account when considering patentability. The above is believed to clearly establish that *Clark* does not show or suggest franchise store servers, as the

<sup>7</sup> See *Clark*, FIG. 3, and accompanying text at Col. 8, Lines 1-56. The picture and description do not show or suggest any hardware, and simply portray a business system.

<sup>8</sup> *Clark*, Col. 8, Lines 34-56.

<sup>9</sup> *Clark*, Col. 10, Lines 13-21, emphasis added.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

franchise system presented in FIG. 3 is a geographical depiction, and the HBE of the reference is explicitly distinguished from a franchise system.

Alternatively, any prima facie case of obviousness is rebutted as *Clark* teaches away from the invention.

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A prima facie case of obviousness may also be rebutted by showing that the art, in any material respect, teaches away from the claimed invention.<sup>10</sup>

For these additional reasons, the rejection of claim 1 is traversed.

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**C) No Grounds for Rejection Provided for Claim 2.**

The rejection has indicated that claims 1-9 were rejected based on *Clark* in view of *Conklin et al.* further in view of *McGee*. However, no prima facie case of obviousness has been established based on these three references. It is assumed that claim 2 has been rejected based on *Clark* in view of *Conklin et al.* further in view of *McGee*, and even further in view of *Allsop et al.* (U.S. Patent No. 5,970,472), as will be addressed below.

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**D) Rejection of Claim 6 Does Not Establish a Prima Facie Case.**

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Claim 6, which depends from claim 1, recites that the at least one headquarter network server includes a member entry database that identifies previously accessing members and matches said members to a predetermined franchise store according to said member entry data.

To show the limitations of claim 6, the rejection relies on the reference *Conklin et al.*:

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[R]egarding claim 6, ... the at least one headquarter network server further includes a member entry data base that identifies previously accessing members and matches said members to a predetermined franchise store according to said

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<sup>10</sup> In re Geisler, 43 USPQ2d 1362, 1366 (Fed. Cir. 1997).

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

member entry data (Col. 19, Lines 62-63).<sup>11</sup>

However, the portion cited by the rejection does not indicate any matching. In fact, the above cited section of *Conklin et al.* teaches away from the limitations of claim 6 as it emphasizes  
5 buyers have to search for companies. This is essentially the opposite of being matched to a company as recited in claim 6.

10 Buyer processes... include *search* and evaluate processes 70, which *enable a prospective buyer to find companies* and their products in the community and investigate their prices, terms and service offerings... A buyer in this community can... determine an order's status in the system, etc. Note that access to relevant information by each type of community member (sponsor, buyer, seller) is protected by password security and access levels.<sup>12</sup>

15 From the above it is clear that *Conklin et al.* teaches buyers that search for companies, and thus the reference cannot show or suggest the matching limitations of claim 6.

**E) Rejection of Claims 5 and 7-9 Improper/Do Not Establish a Prima Facie Case.**

The rejection of claims 5 and 7-9 is believed to be improper and should be withdrawn.

20 The examiner has not addressed the particular limitations of claims 5 and 7-9 by arguing that the limitations of these claims are not given patentable weight as they "provide no structural or functional specificity which serves to distinguish them from the references. In particular, the limitations of claim 5 have been disregarded due to the teachings of *McGee*<sup>13</sup>, and the limitations of claims 7-9 have been disregarded due to the teachings of *Conklin et al.*"<sup>14</sup>

25 Applicant strongly disagrees with these grounds for rejection.

First, Applicant respectfully requests clarification for the authority (e.g., MPEP section) upon which this ground for rejection is based. It is Applicant's understanding that the examination guidelines regarding obviousness rejections is clear: all claim limitations must be

<sup>11</sup> See the Final Office Action, dated 12/10/03, Page 4, Last two lines to Page 5, Lines 1-2.

<sup>12</sup> *Conklin et al.*, Col. 19, Line 57 to Col. 20, Line 3.

<sup>13</sup> See the Final Office Action, dated 12/10/03, Page 7, Lines 6-10.

<sup>14</sup> See the Final Office Action, dated 12/10/03, Page 5, Lines 7-10.

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

shown or suggested, either explicitly or inherently. Further, in the case where it is argued that a limitation is inherently shown, the rejection should still cite those sections of the reference relied upon to show inherency. The limitations of claims 5 and 7-9 are believed to be clear and well supported by the Specification and so must be considered.

5       Second, Applicant respectfully requests clarification for the basis of this rejection with respect to both *McGee* and *Conklin et al.* (e.g., page, line, figure of the reference show the limitations of claims 5 and 7-9).

With respect to *McGee*, as emphasized above in section A), *McGee* clearly teaches away from Applicant's claim 5 limitations as it shows replacing urls with tokens.

10       With respect to *Conklin et al.*, Applicant has reviewed *Conklin et al.* in great detail, and has found no showing or suggestion for the limitations of claims 7-9.

The burden for establishing a prima facie case of obviousness rests on the Examiner. Applicant believes a prima facie case has not been established, as the rejection has presented no indication as to how *Conklin et al.* shows the claim limitations. Nevertheless, Applicant will  
15       review the teachings in *Conklin et al.* in order to show that the reference does not show or suggest the limitations of claims 7-9.

Claims 7-9 recite particular member database limitations, including a member entry having

- 20       1.     a password that includes a portion of the store code  
          2.     a franchise store code  
          3.     terminal ID code  
          4.     member ID value that includes at least a portion of the store code

25       No such database entries are suggested or shown in *Conklin et al.*

A number of figures shown in *Conklin et al.* are directed to database functions and structures. Each such figure will now be reviewed and shown to not include the limitations of claims 7-9.

FIG. 1f of *Conklin et al.* shows a database structure. Such a database includes a "buyer  
30       participant database 08grb". This database (and its relationship to other databases) is described in

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

detail at Col. 32, Lines 14-35. A review of this description clearly shows that this portion of the reference shows none of the above listed limitations.

FIG. 1n of *Conklin et al.* shows database functions. These functions are described in detail at Col. 21, Lines 40-43. A review of this description shows that this portion of the reference teaches "unique identifiers (id's)" for each sponsor. This does not show or suggest, and is believed to teach away from, Applicant's multiple identifiers.

FIG. 1o of *Conklin et al.* shows a logical overview of database functions. This overview is described in detail at Col. 21, Lines 44-56. A review of this description shows that the reference teaches a "buyer's folder 08b1f." However, no mention of entries/structure of the folder are given. Consequently, this portion of the reference cannot show or suggest Applicant's particular member entry limitations.

FIG. 5a of *Conklin et al.* provides another view of database functions. These functions are described in detail at Col. 33, Lines 10-64. This portion describes a how a buyer participant can propose an order (Lines 48-60). However, once again, there is no reference to a buyer's database, let alone any particular database structure.

FIG. 5b of *Conklin et al.* shows a database entry. This entry is described in detail at Col. 33 Line 65 to Col. 34, Line 4. The entry provides only financial information and clearly does not show or suggest any of the limitations listed above.

FIG. 12 of *Conklin et al.* shows a seller's administrative database. Unfortunately, details regarding this figure are never given in the text of the reference. However, examination of the figure shows that the database provides a single field (BUYER) to identify a buyer. Again, this teaches away from Applicant's multiple part member entry.

FIG. 13 of *Conklin et al.* shows a community sponsor database. Details regarding this figure are also never given in the text of the reference. However, examination of the figure shows various financial and contact information for a buyer, but never any of the particular, very different limitations set forth in claims 7-9.

FIG. 17 of *Conklin et al.* shows a seller's order processing. No details regarding this figure are given in the text of the reference. Examination of the figure shows that a seller can give a buyer a login name and password to check on an order. However, the password has no relationship to any store code (i.e., limitation 1 listed above). Further, it is not understood how



## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

this figure can show or suggest the remaining limitations (2-4 listed above).

The above is believed to present a conclusive showing that the limitations of claims 2-4 are not shown or suggested by the reference *Conklin et al.*, relied upon by the rejection. Accordingly, a prima facie case of obviousness cannot exist, and this ground for rejection is traversed.

2. Rejection of Claim 2 Under 35 U.S.C. §103(a), based on *Allsop et al.* (U.S. Patent No. 5,970,472).

It is assumed that this ground of rejection includes a typographical error, and is not based only on the single reference *Allsop et al.*, but is in fact based on the four reference combination of *Clark* in view of *Conklin et al.* further in view of *McGee*, and even further in view of *Allsop et al.*

To the extent that this ground for rejection relies on the combination of *Clark* in view of *Conklin et al.* further in view of *McGee*, Applicant incorporates by reference herein the comments set forth above for claim 1. Namely, that the three references do not show all limitations of claim 1, and/or motivation for the proposed combination is lacking, and/or teachings of the references rebuts any prima facie case of obviousness.

In addition or alternatively, modifying *Clark/Conklin et al./ McGee* according to *Allsop et al.* as proposed, still does not show or suggest the limitations of claim 2.

Applicant's claim 2 recites that the merchandise information database includes information for goods not available at one of the franchise stores, but available at the headquarter. The rejection appears to admit that these limitations are not shown in *Clark* in view of *Conklin et al.* further in view of *McGee*.<sup>15</sup> However, these limitations are not shown in *Allsop et al.*, either

*Allsop et al.* only teaches an embodiment that can determine if a product is/is not in a dealer's inventory. The reference never shows that database includes goods at a headquarter that are not in a franchise store:

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<sup>15</sup> See the Final Office Action, dated 12/10/03, Page 8, Lines 5-8.

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

[T]he manufacturer's computer system automatically accesses an inventory database to determine if a purchased product is currently in a particular dealer's inventory... such that the user is not allowed to select any dealer which does not have the product in stock.<sup>16</sup>

5 The above excerpt clearly shows that the "inventory database" of *Allsop et al.* only includes items "in inventory" or "not in inventory" and never additionally shows items that may be at another location (e.g., a headquarters).

Still further, a close examination of *Allsop et al.* shows the reference teaches away from Applicant's claim limitations.

10 Applicant emphasizes that the "merchandise information database" of claim 2 is included as part of "at least one headquarter network server". As set forth in the above excerpt, *Allsop et al.* suggests that the "inventory database" may be maintained on the dealer's Web site. Thus, *Allsop et al.* teaches away from Applicant's claim limitations by showing different inventory databases on different websites as opposed to database on at least one headquarter server.

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Claim 9 has been amended to address a typographical error, and not in response to the cited references. All grounds for rejection having been traversed, the present claims 1-9 are believed to be in allowable form. It is respectfully requested that the application be forwarded for allowance and issue.

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Respectfully Submitted,

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<sup>16</sup> *Allsop et al.*, Col. 10, Lines 4-10.